

105TH CONGRESS
2D SESSION

H. R. 4435

To amend the Homeowners Protection Act of 1998 to increase consumer protections relating to cancellation of private mortgage insurance.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 6, 1998

Mr. LAFALCE introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To amend the Homeowners Protection Act of 1998 to increase consumer protections relating to cancellation of private mortgage insurance.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Private Mortgage In-
5 surance Cancellation Simplification Act of 1998”.

6 **SEC. 2. APPLICABILITY TO HIGH-RISK LOANS.**

7 (a) IN GENERAL.—Section 3 of the Homeowners
8 Protection Act of 1998 (Public Law 105–216) is amended
9 by striking subsection (f).

1 (b) CONFORMING AMENDMENTS.—Section 4(a) of
 2 the Homeowners Protection Act of 1998 (Public Law
 3 105–216) is amended—

4 (1) in paragraph (1)—

5 (A) in the matter preceding subparagraph
 6 (A), by striking “(other than a mortgage or
 7 mortgage transaction described in section
 8 3(f)(1))”;

9 (B) in subparagraph (A)(ii)—

10 (i) in subclause (II), by inserting
 11 “and” after the semicolon at the end; and

12 (ii) by striking subclause (IV); and

13 (C) in subparagraph (B)—

14 (i) in clause (i), by inserting “and”
 15 after the semicolon at the end;

16 (ii) in clause (ii), by striking “; and”
 17 and inserting a period; and

18 (iii) by striking clause (iii);

19 (2) by striking paragraph (2);

20 (3) in paragraph (4), by striking “through (3)”
 21 and inserting “and (2)”; and

22 (4) by redesignating paragraphs (3) and (4), as
 23 so amended, as paragraphs (2) and (3), respectively.

1 **SEC. 3. PROTECTION OF STATE LAWS.**

2 Section 9 of the Homeowners Protection Act of 1998
3 (Public Law 105–216) is amended by striking subsection
4 (a) and inserting the following new subsection:

5 “(a) EFFECT ON STATE LAW.—

6 “(1) IN GENERAL.—This Act does not annul,
7 alter, or affect, or exempt any person subject to the
8 provisions of this Act from complying with, the laws
9 of any State regarding any requirements relating to
10 private mortgage insurance in connection with resi-
11 dential mortgage transactions, except to the extent
12 that such State laws are inconsistent with any provi-
13 sion of this Act, and then only to the extent of the
14 inconsistency.

15 “(2) INCONSISTENCIES.—A State law shall not
16 be considered to be inconsistent with a provision of
17 this Act if the State law—

18 “(A) requires termination of private mort-
19 gage insurance or other mortgage guaranty in-
20 surance—

21 “(i) at a date earlier than as provided
22 in this Act; or

23 “(ii) when a mortgage principal bal-
24 ance is achieved that is higher than as pro-
25 vided in this Act;

26 “(B) requires disclosure of information—

1 “(i) that provides more information
2 than the information required by this Act;
3 or
4 “(ii) more often or at a date earlier
5 than is required by this Act; or
6 “(C) otherwise provides greater protection
7 for the private mortgage insurance consumer.”.

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